

Message Text

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44

ACTION EUR-25

INFO OCT-01 EA-11 ISO-00 NEA-10 EB-11 COME-00 INT-08 SCI-06

SCEM-02 OMB-01 TRSE-00 CIAE-00 DODE-00 PM-07 H-03

INR-10 L-03 NSAE-00 NSC-10 PA-04 RSC-01 PRS-01 SPC-03

SS-20 USIA-15 ACDA-19 IO-14 DRC-01 /186 W

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R 211133Z NOV 73

FM AMEMBASSY ROME

TO SECSTATE WASHDC 1959

INFO AMEMBASSY BERN

AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY THE HAGUE

AMEMBASSY DUBLIN

AMEMBASSY LUXEMBOURG

AMEMBASSY LONDON

AMEMBASSY PARIS

AMEMBASSY TOKYO

AMEMBASSY VIENNA

USIMMISSION EC BRUSSELS

USMISSION OECD PARIS

ALL CONSULATES ITALY (BY POUCH)

UNCLAS ROME 12882

E.O. 11652: N/A

TAGS: ENRG, IT

SUBJ: ITALIAN OIL SITUATION -- GOVERNMENT MEASURES EXPECTED
SHORTLY

REF: ROME 12397 NOTAL

1. APART FROM IMPOSING CONTROLS ON EXPORTS OF REFINED PETROLEUM
PRODUCTS (GAS OIL, KEROSENE, GASOLINE AND FUEL OIL -ROME 10913
NOTAL), HAS
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NOTYET HATEN MEASURES EITHER TO LIMIT CONSUMPTION OR ASSURE

AN EQUITABLE SHORTFALL OF PETROLEUM PRODUCTS IN THE DOMESTIC MARKET. WHILE UP TO SEVERAL WEEKS AGO THERE MAY HAVE BEEN HOPE THAT SERIOUS PRODUCT SHORTAGES COULD SOMEHOW BE AVOIDED OR AT LEAST DEALT WITH BY GOVERNMENT CALLS FOR MODERATIONS ON THE PART OF CONSUMERS, SUCH IS NO LONGER THE CASE. SERIOUS SHORTAGES OF HEATING OIL, KEROSENE, DIESEL FUEL AND GASOLINE HAVE BECOME INCREASINGLY EVIDENT IN PAST WEEK, ESPECIALLY IN THE COLDER AND MORE HEAVILY INDUSTRIALIZED NORTH.

2. GOVERNMENT DESIGNATED A MINISTRY OF INDUSTRY TECHNICAL COMMISSION TO COME UP WITH A VARIETY OF PROPOSALS TO DEAL WITH SITUATION. COMMISSION HAS NOW COMPLETED ITS WORK AND SENT TO COUNCIL OF MINISTERS ITS CONCLUSIONS, LEAVING TO POLITICAL AUTHORITIES THE CHOICE OF DECISIONS TO BE TAKEN. POSSIBILITIES REPORTEDLY RANGE FROM BAN ON SUNDAY DRIVING, CLOSING OF GAS STATIONS ON SATURDAY AND SUNDAY, ESTABLISHING MAXIMUM SPEED LIMITS, A SHARP INCREASE IN WEEKEND /AUTOSTRADA/ TOLLS, TO A VARIETY OF MEASURES TO CONTAIN ELECTRICITY CONSUMPTION -- E.G., CLOSING OF MOVIE THEATERS AND TELEVISION TRANSMISSION AT 10:30 P.M. AND ELIMINATION OF NEON ADVERTISING. IN ADDITION, POSSIBILITY OF A NEW INCREASE IN PRICE OF GASOLINE AND HEATING OIL IS BEING DISCUSSED. (PRICES WERE INCREASED LESS THAN TWO MONTHS AGO (ROME 10564), BUT THE CONTROLLED INTERNAL MARKET PRICE OF HEATING OIL IS \$48/TON, ABOUT 1/3 OF PRESENT FREE MARKET PRICE IN EUROPE).

3. GOVERNMENT EXPECTED TO ADOPT A PACKAGE OF MEASURES SOON, POSSIBLY BY THE LATTER PART OF THIS WEEK, FOLLOWING NOVEMBER 21 MEETING OF A PARTY SPOKESMEN IN GOVERNMENT COALITION.

4. PRODUCT SHORTAGES HAVE BECOME INCREASINGLY SERIOUS IN PAST TWO WEEKS, PARTICULARLY HEATING OIL AND DIESEL FUEL. MANY NORTHERN ZONES AND TOWNS WHERE WINTER HAS ALREADY SET IN ARE REPORTED TO BE UNABLE TO OBTAIN HEATING OIL SUPPLIES, INCLUDING OFF-BASE US MILITARY PERSONNEL AT AVIANO, NEAR UDINE. NATIONAL TRUCKERS ASSOCIATION HAS SENT TELEGRAM TO MINISTRY OF INDUSTRY ASKING INTERVENTION TO MAKE AVAILABLE DIESEL FUEL IN NORTHERN ITALY WHERE TRUCKING INDUSTRY IS GRINDING TO A HALT FOR LACK OF FUEL. COMMUNE OF BOLOGNA HAS INFORMED ROME GOVERNMENT AUTHORITIES THAT ITS PUBLIC TRANSPORT SYSTEM

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WILL SHUT DOWN THIS WEEK UNLESS FUEL IS MADE AVAILABLE. TRIESTE AREA IS REPORTED TO BE EXPERIENCING GASOLINE SHORTAGE, AS ITALIANS WHO USED TO CROSS BORDER TO BUY CHEAPER YUGOSLAVIAN GASOLINE ARE NOW FINDING ITALIAN PRICES CHEAPER AND CONSEQUENTLY RETURNING TO ITALIAN MARKET.

5. ONE POSITIVE NOTE IN THIS DISCOURAGING PICTURE WAS ALITALIA'S ANNOUNCEMENT NOVEMBER 15 OF MEASURES TO REDUCE SPEEDS OF ITS

JET FLEET IN ORDER TO SAVE ON FUEL. ADDED FLIGHT TIMES OF
15-25 MINUTES ON MOST FLIGHTS EXPECTED TO SAVE A TOTAL OF
28 MILLION LITERS OF JET FUEL ANNUALLY. VOLPE

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